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LURING PASSENGERS

GoAir joins fare war with IndiGo, SpiceJet

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MUMBAI

The Wadia Group's **GoAir-lines (India) Pvt. Ltd.**, which runs low-fare carrier GoAir, has joined a fare war among peers in the airline industry by offering uniform fares, inclusive of surcharges

and other taxes, for purchases made 21 days in advance.

For short sectors, defined as less than 750km travel distance, GoAir will charge Rs1,700 a ticket and Rs2,700 for longer distances, a GoAir statement said. In effect, a Mumbai-Delhi ticket on GoAir bought 21 days in advance can be bought for Rs2,700 instead of the base fare

of at least Rs1,000 plus Rs2,925 of surcharges and airport fees.

GoAir's new offer is in reaction to the re-introduction of a Rel fare by the Delhi-based rival IndiGo, run by **InterGlobe Aviation Pvt. Ltd.** on certain routes and **SpiceJet Ltd's** Rs99 base fare for tickets booked at least 21 days before travel.

Three major airline groups of

the country have also resorted to price cuts to stimulate the passengers. The quarter ended 31 December witnessed an 18% decline in domestic passenger growth.

Others such as **Jet Airways (India) Ltd.**, the country's largest private carrier by passengers carried, and its unit **JetLite (India) Ltd** have also intro-

duced 21-day advance fares. Jet has offered Rs250 base ticket fares while JetLite started at Rs9 base fare for travel in January. It has similar schemes for its business class too.

Rival carrier **Kingfisher Airlines Ltd** has slashed fares between 21% and 65% on various routes from 1 January.

State-run **National Aviation**

Co. of India Ltd, which runs Air India, has announced an average reduction of 52% in basic fares for domestic travel on 20 major routes.

Airlines such as Jet Airways expects a 15% increase in passenger traffic, but CLSA Group analyst Anirudha Dutta is sceptical. "With yields coming under pressure again and load factors unlikely to increase to break-even levels in a difficult macroeconomic environment... we do not believe low fares will stimulate passenger growth as in 2003-07," Dutta wrote in a Monday report.